



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

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*Agenda item # 13*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 21, 2018

#### MOTION

**Made By: Mr. Garczynski, Seconded By: Mr. Malbon**  
**Action: Motion Carried, Unanimously**

**Title: Adoption of Corrected Policy and Approval of Guide for Implementation of the SMART SCALE Project Prioritization Process**

**WHEREAS**, Section 33.2-214.1 of the *Code of Virginia*, provides that the Commonwealth Transportation Board (Board) shall develop a statewide prioritization process for certain projects funded by the Board, including those projects allocated funds pursuant to sections 33.2-358, 33.2-370 and 33.2-371 of the *Code of Virginia*, and

**WHEREAS**, Section 33.2-358 sets forth requirements relating to the allocations and establishment of a High Priority Projects Program established pursuant to section 33.2-370 and a Highway Construction District Grant Program established pursuant to section 33.2-371; and

**WHEREAS**, Chapter 726 of the 2014 Acts of Assembly, required the Board to select projects for funding utilizing the project prioritization process established pursuant to section 33.2-214.1; and

**WHEREAS**, Section 33.2-214.1 (B) requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process; and

**WHEREAS**, Section 33.2-214.2 requires the Office of Intermodal Planning and Investment to make public, in an accessible format, a recommended list of projects and strategies for inclusion in the Six-Year Improvement Program based on results of the evaluation of submitted projects and the results of screening and evaluation of such projects no later than 150 days prior to the Board's vote to adopt the Six-Year Improvement Plan.

**WHEREAS** on June 17, 2015 the Board adopted a statewide prioritization policy and process pursuant to Section 33.2-214.1 and directed the Commissioner of Highways, the Department of Rail and Public Transportation (DRPT) and the Office of Intermodal Planning and Investment (OIPI) to take all actions necessary to implement and administer the policy and process adopted on June 17, 2015 (collectively the HB2 Prioritization Policy and Process), including but not limited to issuance of a Policy Guide consistent with the intent of the policy and process; and

**WHEREAS** on July 28, 2016, the Board rescinded the HB2 Prioritization Policy and Process previously adopted on June 17, 2015 and adopted a revised policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1; and

**WHEREAS** on October 24, 2017, the Board rescinded the SMART SCALE Prioritization Policy and Process previously adopted on July 28, 2016 and adopted a revised policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1 (SMART SCALE Prioritization Process); and

**WHEREAS** since adoption of the SMART SCALE Prioritization Process on October 24, 2017, issues relating to three entities qualified to submit funding applications under the prioritization process have been identified; and

**WHEREAS**, previous policy and guidance reflected the Northern Virginia Regional Council (the planning district commission, NVRC) and the Northern Virginia Transportation Authority (NVTA) as a single entity eligible to submit an application under SMART SCALE and adjustment to the policy is warranted so that the two entities, NVRC and NVTA, are treated separately and authorized to submit applications, in a manner consistent with other planning district commissions and metropolitan planning organizations; and

**WHEREAS**, prior to Round 2 of the SMART SCALE Prioritization Process, the Hampton Roads Metropolitan Planning Organization (Hampton Roads Transportation Planning Organization or HRTPO) boundary was changed to include small portions of Southampton County and the City of Franklin and both the county and city have requested an exception to retain an Area Typology Category of D, notwithstanding HRTPO's Typology Category of A, which exception would be similar to the exception provided for Gloucester and Fauquier Counties.

**NOW THEREFORE BE IT RESOLVED**, the Commonwealth Transportation Board hereby corrects the SMART SCALE Prioritization Process adopted on October 24, 2017 to address the issues noted herein and adopts the following policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1 (SMART SCALE Prioritization Process):

1. Application for funding through the SMART SCALE Prioritization Process must be made by qualifying entities based on project type and as follows:

**Eligibility to Submit Projects**

<b>Project Type</b>	<b>Regional Entity (MPOs, PDCs)</b>	<b>Locality* (Counties, Cities, and Towns)</b>	<b>Public Transit Agencies</b>
Corridor of Statewide Significance	Yes	Yes, with a resolution of support from relevant regional entity	Yes, with resolution of support from relevant regional entity
Regional Network	Yes	Yes, with a resolution of support from the MPO*	Yes, with resolution of support from relevant entity
Urban Development Area	No	Yes, with a resolution of support from the MPO*	No
Safety	No	Yes, with a resolution of support from the MPO*	No

Note\*: Projects within established MPO study areas that are not identified in or consistent with the regionally adopted Constrained Long Range Plan (CLRP) must include a resolution of support from the respective MPO Policy Board.

2. Application for funding through the SMART SCALE Prioritization Process must be made for a qualifying need and, pursuant to Section 33.2-214.1 (B)(2) and 33.2-358, for the High Priority Projects Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for all corridors of statewide significance and regional networks, and for the construction District Grant Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for corridors of statewide significance, and regional networks, improvements to promote urban development areas established pursuant to Section 15.2-2223.1, and safety improvements.
3. Applications for funding through either the High Priority Projects Program or the Construction District Grant Programs must relate to projects located within the boundaries of the qualifying entity. Localities and regional planning bodies may submit joint applications for projects that cross boundaries.
4. By majority vote of the Board, the Board may choose to submit up to two projects to be evaluated for funding in each biennial application cycle.
5. The factors specified in Section 33.2-214.1 will be measured and weighted according to the following metrics:

<b>ID</b>	<b>Measure Name</b>	<b>Measure Weight</b>
<b>Safety Factor</b>		
S.1	Number of Fatal and Injury Crashes*	50%
S.2	Rate of Fatal and Injury Crashes	50%
<b>Congestion Mitigation Factor</b>		
C.1	Person Throughput	50%
C.2	Person Hours of Delay	50%
<b>Accessibility Factor</b>		
A.1	Access to Jobs	60%
A.2	Access to Jobs for Disadvantaged Populations	20%
A.3	Access to Multimodal Choices	20%
<b>Environmental Quality Factor</b>		
E.1	Air Quality and Energy Environmental Effect	50%
E.2	Impact to Natural and Cultural Resources	50%
<b>Economic Development Factor</b>		
ED.1	Project Support for Economic Development	60%
ED.2	Intermodal Access and Efficiency	20%
ED.3	Travel Time Reliability	20%
<b>Land Use Factor</b>		
L.1	Transportation Efficient Land Use	70%
L.2	Increase in Transportation Efficient Land Use	30%

Note\*: 100% for Transit and Transportation Demand Management Projects

- The factors will be evaluated according to the following typology categories and weighting frameworks within the state’s highway construction districts:

<b>Region in which the Project is Located</b>	<b>Typology</b>	<b>Construction District</b>
Accomack-Northampton PDC	Category D	Hampton Roads
Bristol MPO	Category D	Bristol
Central Shenandoah PDC	Category D	Staunton
Central Virginia MPO	Category C	Lynchburg/Salem
Charlottesville-Albemarle MPO	Category B	Culpeper

<b>Region in which the Project is Located</b>	<b>Typology</b>	<b>Construction District</b>
Commonwealth RC	Category D	Lynchburg/Richmond
Crater PDC	Category D	Richmond/Hampton Roads
Cumberland Plateau PDC	Category D	Bristol
Danville MPO	Category D	Lynchburg
Fredericksburg Area MPO (FAMPO)	Category A	Fredericksburg
George Washington RC	Category D	Fredericksburg
Hampton Roads PDC <sup>i</sup>	Category D	Hampton Roads
Hampton Roads TPO (HRTPO) <sup>i,ii</sup>	Category A	Hampton Roads/Fredericksburg
Harrisonburg-Rockingham MPO	Category C	Staunton
Kingsport MPO	Category D	Bristol
Lenowisco PDC	Category D	Bristol
Middle Peninsula PDC <sup>ii</sup>	Category D	Fredericksburg
Mount Rogers PDC	Category D	Bristol/Salem
New River Valley MPO	Category C	Salem
New River Valley PDC	Category C	Salem
Northern Neck PDC	Category D	Fredericksburg
Northern Shenandoah Valley RC	Category D	Staunton
Northern Virginia RC	Category A	Northern Virginia
Northern Virginia Transportation Authority (NVTA) / Transportation Planning Board (TPB) <sup>iii</sup>	Category A	Northern Virginia/Culpeper
Rappahannock-Rapidan RC <sup>iii</sup>	Category D	Culpeper
Region 2000 LGC	Category D	Salem/Lynchburg
Richmond Regional PDC	Category D	Richmond
Richmond Regional TPO (RRTPO)	Category B	Richmond
Roanoke Valley TPO (RVTPO)	Category B	Salem
Roanoke Valley-Alleghany PDC	Category D	Salem/Staunton
Southside PDC	Category D	Lynchburg/Richmond
Staunton-Augusta-Waynesboro MPO	Category C	Staunton
Thomas Jefferson PDC	Category C	Culpeper/Lynchburg
Tri-Cities MPO	Category C	Richmond
West Piedmont PDC	Category D	Salem/Lynchburg
WinFred MPO	Category C	Staunton

Note\*: PDC is defined as the remainder of the region outside the MPO boundary. In many cases, these regions include partial counties (e.g. Goochland County is partially within RRTPO and the Richmond Regional PDC). If a project is within the MPO boundary in a partial county, the project shall use the weighting associated with the MPO with the following exceptions:

- i. The portion of Southampton County and the City of Franklin within the Hampton Roads TPO boundary shall use the weighting associated with the Hampton Roads PDC.
- ii. The portion of Gloucester County within the Hampton Roads TPO boundary shall use the weighting associated with the Middle Peninsula PDC.
- iii. The portion of Fauquier County within the Transportation Planning Board Boundary shall use the weighting associated with the Rappahannock-Rapidan Regional Commission.

Note\*\* For projects that cross multiple typology boundaries, the project shall use the weighting associated with the typology for which the majority of the project is located.

**Weighting Frameworks**

<b>Factor</b>	<b>Congestion Mitigation</b>	<b>Economic Development</b>	<b>Accessibility</b>	<b>Safety</b>	<b>Environmental Quality</b>	<b>Land Use</b>
Category A	45%**	5%	15%	5%	10%	20%*
Category B	15%	20%	25%	20%	10%	10%*
Category C	15%	25%	25%	25%	10%	
Category D	10%	35%	15%	30%	10%	

Note\* - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6<sup>th</sup> enactment clause, for certain metropolitan planning areas with a population over 200,000, the prioritization process shall also include a factor related to Land Use.

Note\*\* - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6<sup>th</sup> enactment clause, for certain highway construction districts congestion mitigation must be weighted highest among the factors.

- 7. Qualifying entities are limited in the number of applications they may submit. The limits are based on population thresholds as defined in the table below. A Board member may allow one additional application from one county within their district if (i) the project is located within a town that is ineligible to submit projects and (ii) the county in which the town is located submitted the maximum number of applications allowed. Only one such additional application is allowed per district.

**Application Limits**

<b>Tier</b>	<b>Localities*</b>	<b>MPOs/PDCs/ Transit Agencies*</b>	<b>Maximum Number of Applications</b>
1	Less than 200K	Less than 500K	4
2	Greater than 200K	Greater than 500K	10

Note\* - The source of population data for localities, MPOs and PDCs is the last preceding United States census (2010). Application limits for transit agencies were determined based on service area population in the 2010 National Transit Database (NTD). If service area population was not available in NTD, Census 2010 population was used to determine population in jurisdictions served by transit agency.

8. Candidate projects will be scored based on the factors and weights identified above relative to other projects submitted for evaluation, the cost of the project and based on information included in the project application.
9. The final project score is determined by calculating the anticipated benefits relative to the amount of funding requested pursuant to section 33.2-358 of the *Code of Virginia*.
10. A project that has been selected for funding must be re-scored and the funding decision re-evaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed.
  - a. If an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:
    - i. Total Cost Estimate <\$5 million: 20% increase in funding requested
    - ii. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested
    - iii. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested.
  - b. If the project scope is reduced or modified such that the revised score is less than the lowest ranked funded project in the district for that cohort of projects, Board action is required to approve the change in scope.
  - c. If the project scope is increased then the applicant is responsible for the additional cost attributable to the increase in scope regardless of budget impact. The scope of a project may not be substantially modified in such a manner that the proposed improvements do not accomplish the same benefits as the original scope.

11. A project that has been selected for funding must be initiated and at least a portion of the programmed funds expended within one year of the budgeted year of allocation or funding may be subject to reprogramming to other projects selected through the prioritization process. In the event the Project is not advanced to the next phase of construction when requested by the Commonwealth Transportation Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the *Code of Virginia*, to reimburse the Department for all state and federal funds expended on the project.
12. A project that has been selected for funding cannot be resubmitted to address cost increases or loss of other sources of funding.
13. Once a project is selected for funding, an entity must wait for two rounds of SMART SCALE following the end date of construction before submitting a new project application for the same location that meets the same need as the project that was selected for funding.
14. Once a project is selected for funding, an entity may not resubmit the project with a revised scope in a subsequent round unless the previously selected project has been cancelled.
15. In the cases where a project has been selected for funding which identified other sources of funding, the qualifying entity is committed to pay the difference if other sources of funding are not provided. An applicant may only identify State of Good Repair, Transportation Alternatives Set-Aside, Highway Safety Improvement Program and Revenue Sharing funds as committed funds if the funding has already been approved by the Board. Applicants must have an approved or pending application for other sources of committed funds, such as local/regional or other federal funds, at the time of the SMART SCALE application submission.
16. Applications for funding through the SMART SCALE Prioritization Process may not request funding to replace other committed funding sources identified in a local capital improvement program or a transportation improvement program, or required to be paid by a developer as a result of a local zoning process.
  - a. The CTB may waive this requirement for projects that:
    - i. have an anticipated total cost in excess of \$1 billion; and
    - ii. were not eligible for submission in the previous round of SMART SCALE due to readiness considerations, but initiated procurement prior to award of the current round of SMART SCALE.
  - b. If a fully funded project is submitted with additional features that are not yet funded, the benefits associated with the fully funded or committed project element(s) will be excluded from consideration in evaluating and rating the project benefits for SMART SCALE.
17. The Board may adjust the timing of funds programmed to projects selected in previous SMART SCALE cycles to meet the cash flow needs of the individual projects, but will not (1) reduce the total amount of state and federal funding committed to an individual project unless it is no longer needed for the delivery of the project or the project sponsor is unable to secure permits and environmental clearances for the project or (2) increase the total amount of state and federal funding committed to an individual project beyond the thresholds established in item 10.

Projects from a subsequent round will not be advanced or accelerated by delaying projects selected in a previous SMART SCALE cycle.

18. In cases where programmed funds are no longer needed for delivery of a project due to estimate decreases, contract award savings, schedule changes, etc., the unexpended surplus funds are SMART SCALE unless superseded by the terms of a signed project agreement.
  - a. Surplus Construction District Grant Program funds no longer needed for delivery of a project will remain within the applicable Construction District Grant Program and may not be used in other districts.
  - b. Surplus High Priority Projects Program funds will remain within the High Priority Projects Program.
  - c. Such surplus funds will be reserved to address budget adjustments on existing SMART SCALE projects or reserved for allocation in the next solicitation cycle for SMART SCALE.

**BE IT FURTHER RESOLVED**, the methodology outlined in the SMART SCALE Technical Guide shall direct the screening, scoring and selection of projects for funding and may continue to evolve and improve based upon advances in technology, data collection and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth herein, they shall be brought to the Board for review and approval.

**BE IT FURTHER RESOLVED**, the Board hereby directs the Commissioner of Highways, the Director of the Department of Rail and Public Transportation, and the Office of Intermodal Planning and Investment to take all actions necessary to implement and administer this policy and process as corrected, including but not limited to preparation of a Policy Guide consistent with the corrected SMART SCALE Prioritization Process adopted herein.

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## CTB Decision Brief

### **Title: Adoption of Corrected Policy and Approval of Guides for Implementation of the SMART SCALE Project Prioritization Process**

**Issue:** On October 24, 2017, the Board approved and adopted a new prioritization policy incorporating improvements to both the policy and the evaluation process for implementation to further enhance the prioritization process for subsequent rounds. Since Board approval/adoption of the new prioritization policy several issues with three qualifying entities have been identified. The proposed action would make corrections to address the issues and to adopt the corrected policy. .

**Facts:** Section 33.2-214.1 of the *Code of Virginia* requires the Board to develop a prioritization process for certain projects funded by the Board. Section 33.2-214.1 (B) of the Code of Virginia requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process. In June 2015, the Board adopted a statewide prioritization policy and process and directed VDOT, DRPT, and OIPI to implement and administer the policy and process. In October 2017, the CTB adopted the new prioritization policy incorporating feedback and recommendations from internal and external stakeholders including establishment of application limits. After adoption of the new prioritization policy and a review of guidance documents several issues were identified for three qualifying entities. The following corrections to the Board's prioritization policy adopted October 24, 2017 are recommended:

- Previous policy and guidance reflected the Northern Virginia Regional Council (the planning district commission) and the Northern Virginia Transportation Authority (NVTA) as a single entity eligible to submit an application under SMART SCALE. With the implementation of application limits, correction to the policy separates the two entities, allowing both to submit applications. This is consistent with how other metropolitan planning organizations and planning district commissions are treated under the policy..
- Prior to Round 2, the Hampton Roads Metropolitan Planning Organization (Hampton Roads Transportation Planning Organization or HRTPO) boundary was changed to include small portions of Southampton County and the City of Franklin. Both the county and city have requested an exception to retain an Area Typology Category of D, notwithstanding HRTPO's Typology Category of A. This would be similar to the exception provided for Gloucester and Fauquier Counties.

A resolution reflecting the above referenced recommendations has been prepared for consideration by the Board. The 2017 SMART SCALE Technical Guide will be revised to include the corrections identified in this resolution

**Recommendation:** VDOT, DRPT, and OIPI recommend that the Board approve the project prioritization policy and process adopted in October 2017, as corrected to address issues associated with the three qualifying entities referenced herein, to govern screening, scoring and selecting projects for funding with such modifications to be implemented for the third round of the prioritization process, which begins March 1, 2018. VDOT and DRPT further recommend that the Board direct updates to the 2017 SMART SCALE Technical Guide to reflect any modifications made to the project prioritization policy and process pursuant to this action. .

**Action Required by the CTB:** The Board will be presented with a resolution for a formal vote to adopt the corrected SMART SCALE Prioritization Process and to update the 2017 SMART SCALE Technical

Guide in implementation of the corrected prioritization policy and process. Approval by majority vote of the resolution is required.

**Result, if Approved:** VDOT, DRPT, and OIPI will implement the SMART SCALE Prioritization Process in accord with the 2017 SMART SCALE Technical Guide.

**Options:** Approve, Deny or Defer

**Public Comments/Reactions:** N/A